Purchasing Card Policy Training

TTUHSC
Payment Services

Updated 05/2019
Purchasing Card Policy Training
Contents

Overview

Personal Responsibility

Obtaining a PCard

Activation of PCard

PCard Guidelines
  • Prohibited Purchases
  • Additional Guidance
  • Permitted Purchases
  • Deviations

PCard Reminders when ordering

Transaction Log

Supporting Documentation
  • Food and Entertainment
Purchasing Card Policy Training

Contents

Reimbursement for PCard Transactions
Missing Receipts
Monthly Expense Report
Allocations
Disputed items
PCard Cancellation
Employee Termination
Record Retention
Reviews and Spot Checks
Laserfiche
PCard Contacts
Overview

• Utilizes a MasterCard credit card
  ➢ Issued by the State of Texas
• Allows users to purchase directly from vendors
• Allows for single purchases up to $5000 and monthly card limit based on estimated usage
• Transactions managed online with Citi Manager – Expense Manager
• Requires Training
• Purchasing policies still apply
Personal Responsibility

• Proper use and protection of card
  ➢ Use only for official TTUHSC allowed purchases
  ➢ Keep in locked drawer or safe place

• Verify proper recording of transactions to Banner FOAPs

• Abuse results in disciplinary action
  ➢ Liable for unauthorized purchases
  ➢ Possible termination of employment

• No personal credit check
Personal Responsibility

• Report lost or stolen card **immediately**
  ➢ Inform Citi Customer Service (800)248-4553
  ➢ Inform TTUHSC PCard Program Coordinator
    o Celeste Ramirez (806)743-3565
    o pcard@ttuhsc.edu
• Citi is 100% liable for fraudulent use **after** card is reported lost or stolen
Personal Responsibility

• Fraud
  ➢ Citi notifies end user of fraud by email, texts, etc.
    o End user is the only person that can respond

• Declines
  ➢ If card is declined several times contact PCard
    pcard@ttuhsc.edu
Obtaining a PCard

• Application:
  - Purchasing Card Application and Agreement
  - Print and complete the form including all cardholder information, default FOP and Account Manager signature

• Training Questionnaire:
  - Purchasing Card Knowledge Quiz
  - Print and complete the quiz with signature on second page

• Completed forms should be mailed to Payment Services, MS 6283
  - Requested cards will be available in about two weeks
Activation of PCard

• Card must be activated upon receipt
  ➢ See strip on card for instructions
  ➢ Remember, CitiBank Cards require a PIN at time of activation
PCard Guidelines

• PCard is a method of payment.

• Compliance

  ➢ State of Texas Policies
  o Use of Payment Cards by State Agencies

  ➢ TTUHSC Policies & Procedures
  o HSC OP 72.15 Purchasing Card Program
  o HSC OP 72.03 Direct Pay Expenditures
  o HSC OP 72.16 Official Functions, Business Meetings & Entertainment
  o HSC OP 72.01 Purchasing Supplies, Equipment & Services

  ➢ Internal Departmental Procedures
Prohibited Purchases

- Awards and Prizes (see OP 72.03)
- Chemicals and Other Potentially Hazardous Materials
- Consulting, Medical Services, Personal or Professional Services
- Controlled Assets
- Donations, Contributions and Sponsorships
- E Bay Purchases
- Individual Amazon Prime Accounts
- Lease or Rental of Space
- Medical Licenses for States Other Than the State of Texas
- Notary Applications
- Payments to Patient/Study Participants
- Supplies (require use of Institutional Supply Contract)
- Temporary Personnel
- Travel Related Purchases
- Uniforms (includes lab coats)
- Blocked Vendors
- In-State Sales Tax, including Tax on Carry-Out or Delivered Meals

Back to top
Prohibited Purchases

• **HSC OP 72.15 Purchasing Card Program** Item 2.b. Prohibited Purchases
  - Awards and Prizes (see **HSC OP 72.03**)
  - Chemicals and other potentially hazardous materials
  - Consulting, Medical Services, Personal or Professional Services
  - Controlled Assets > $500 (Shipping included)
    - At any cost – Hand guns, rifles, machine guns, etc.
    - With a cost between $500 and $4,999.99 – Cameras, computers (including peripherals), printers, stereo systems, video recorder/laser disk player (TV, VCR, camcorder), projectors and etc.
Prohibited Purchases

• Donations, Contributions & Sponsorships
• E Bay Purchases
• Lease or Rental of Space
• Medical Licenses for states other than the State of Texas
• Notary Applications
• Payments to Patient/Study Participants
Prohibited Purchases

- Supplies (Medical, Pharmaceuticals, and Office) require use of the Institutional Supply Contract unless a deviation approval has been received from Purchasing.
- Temporary Personnel
- Travel Related Purchases i.e. airline ticket, hotel and rental car reservations, restaurant services within a hotel complex, and internet services, etc.
- Uniforms (includes lab coats)
Prohibited State and Federal Purchases

• State and Federal Funds
  ➢ 10XXXX, 11XXXX, 12XXXX, 21XXXX, and 22XXXX

• Alcoholic Beverages

• Food and Entertainment

• Flowers

• Promotional Items

• Membership Dues
PCard Guidelines

Additional Guidance

- Prohibited Purchases on State and Federal Funds: Alcohol, Flowers, Food and Entertainment, Membership Dues, Promotional Items

- Purchases for Food and Entertainment Must be Documented Using Food and Entertainment Substantiation Form and Pre-Approval Form

- Alcoholic Beverages May Only be Served on Campus at Appropriate Events with Prior Written Approval of President or Designee

- PayPal Services

- All IT Purchases including Software and Software Licenses must be approved by IT. Requests for approval can be made through Purchasing@ttuhsc.edu and evidence of approval must be submitted with the expense documentation

- Ship To Location Other Than TTUHSC Address Requires Approval from Purchasing

- Organization Must be on the Professional Membership List for Payment of Membership Dues

- Gifts for Length of Service Including Retirement (< $400) and Non-Cash Gifts for Donors or Participants of Official Functions - must include OP 72.03 Attachment B
PCard Guidelines

**Permitted Purchases**

- Permitted Purchases of $5,000 or Less Must be Made Using PCard Subject to Vendor Accepting Credit Cards
- Malpractice Insurance
- Flowers for Official TTUHSC Functions or for Employees and Immediate Family Members in Cases of Illness or Death
- Food and Entertainment
- Books (if not available through an institutional contract in TechBuy)
- Equipment (if not available through an institutional contract in TechBuy)
- Advertising in Out-of-State Newspapers and Online for Staff Recruitment
- Accreditation, Certification and Examination Fees
- Magazine/Journal Subscriptions
- Membership Dues
- Professional License Fees
- Registration Fees

Back to top
Guidelines for Deviation Requests

• Deviations are not required for permitted PCard purchase of $100 or less with the following exceptions
  ➢ Medical Supplies
  ➢ Pharmaceuticals
  ➢ Consumable Office Supplies

• Exceptions must have prior written approval from Purchasing and filed with reconciliation documentation

• Standard PCard policy still applies in regards to permitted and prohibited purchases, refer to OP72.15
PCard Reminders when Ordering

• Payment at time of order
  ➢ Past due invoices should not be processed on Pcard please issue a purchase order with non-compliant form attached.

• Sales tax (State of Texas) on an invoice must be credited by the vendor or personally reimbursed to TTUHSC.
  ➢ **Tax Exemption Forms**

• Itemized Invoices Required
  ➢ Ask vendor for an itemized invoice

• Ship to location other than TTUHSC address requires approval from Purchasing
Transaction Log

• **Transaction Log** is available, but not required:
  - If log is maintained - required information:
    - Credit Card Number
    - Card Holder’s Name
    - Banner Default FOP
    - Transaction Date
    - Merchant Name
    - Amount
  - Must be entered in log in the same order as the Credit Card Monthly Expense Report
  - Credits or returns must also be logged and included in documentation
Supporting Documentation

• Each receipt or invoice must reflect the required information to support the purchase as a legitimate state expense

  ➢ Documentation needed to be in compliance with record keeping requirements:
    o Expense Report with appropriate signatures
    o Invoice/sales receipt from the vendor and/or print screen prior to submission for online orders
    o Business purpose written on the supporting documentation, or in the available field of the Expense Report, or the transaction log/interdepartmental form
Supporting Documentation

- Registration – order form or screen shot detailing the charges for the conference
- Membership dues - the enrollment form detailing the charges for the type of dues or the renewal notification/invoice and the print screen from the list of approved professional societies
- Flower purchases - the employee and recipient’s name and their relationship to the employee
  - If for death in family please submit death notice or obituary
- Other items (if applicable) - Pre-Approval Form, F&E Substantiation Form, deviation approval from Purchasing, copy of advertisement, and/or credit receipts
Supporting Documentation

• Required Information on Invoice or Receipt
  ➢ Last four numbers of the credit card
  ➢ Date
  ➢ Merchant Name
  ➢ Amount
  ➢ Sales Tax
  ➢ Tape small receipts on documentation form or blank sheet of paper
  ➢ Do not place tape on top of any of the above information
Food & Entertainment

- Proper documentation is required
- Not allowed on State Funds
- Documentation for:
  - Amount
  - Time, place and description of entertainment
  - Business purpose (clear and specific) and benefit to TTUHSC and the State of Texas
  - Business relationship of person(s) entertained
    - Name, title and occupation
  - Must include a Food & Entertainment Substantiation Form
Reimbursement for PCard Transactions

- The check or cash must be sent to the PCard Coordinator for correct processing.
- A Cash Receipt (CR) form will be completed by the PCard Coordinator immediately upon receiving the payment and submitted to the Bursar’s office. The FOAP used will match the original transaction as it was processed in Banner.
- A copy will be made for the cardholder folder and also sent to the department. Note: All campuses must send reimbursements to the
- PCard Coordinator for processing to:
  - Celeste Ramirez, STOP 6283
Missing Receipts

• Cardholder must attempt to get a copy of the original documentation

• If unsuccessful:
  ➢ Three attempts to get copy must be documented
  ➢ Missing Receipts Form must be completed
    o Missing Receipts Form
    o Account Manager/Supervisor signature required
  ➢ Keep form with other documentation

• Missing receipts should be a rare occurrence and will be carefully scrutinized in reviews
Monthly Expense Report

- User generates Monthly Expense Report from Citi purchasing card management system
- Cardholder lists all transactions and verifies all transactions are legitimate
  - Match each transaction on expense report to your receipts
  - Match credit card expense report to your Cognos Operating Transaction reports
  - Place receipts and any other required documentation behind your expense report
  - Receipts and required documentation must be in the same order as transactions appear on the credit card expense report
Monthly Expense Report

• Expense report must be signed by cardholder and account manager, supervisor or department administrator every month

• HSC Payment Services will pay the bill, then the transactions will be expensed to your departmental account

➢ Transactions are reflected in your Cognos Operating Transaction reports
  o Transaction ID - CHXXXXXX
  o Transaction description – cycle end date, first six letters of the cardholder’s name and merchant name
  o All transaction lines for each cardholder added together should equal the expense report total
Allocations

• Citi

- Transactions that need to be reallocated to another FOP, rather than the default FOP that is tied to the card, can be processed as soon as two days after the purchase. Check the account code for each transaction to ensure it accurately describes your purchase. The link to the Citi website is below:
  - [CitiDirect Global Card Management System](#)

- Close date for reviewing and reallocating FOAPs in order to load to Banner correctly will be announced in the monthly PCard update

- Allocations should be done daily or weekly
Allocations

- Cost transfer requests after the PCard upload have been expensed in Banner should be a rare occurrence due to the ability to reallocate transactions in Citi

  - The **Financial Transaction System** (FiTS) Cost Transfer (located on Accounting Services website) should be used to submit all cost transfer requests.

  - The **Cost Transfer Request Form** (located on Accounting Services Forms website) must be used to change an account code for a current FY expenditure.

    - For additional information contact hscacc@ttuhsc.edu
Disputed Items

• Call vendor first – resolve with them
• If item not resolved with vendor, call Citi Customer Service at (800)248-4553 to dispute the transaction
• Important Note: If disputing a US vendor item, the claim must be completed within 60 days from the cycle end date of the expense report.
PCard Cancellation

• Send cancellation notification to PCard pcard@ttuhsc.edu stating reason for cancellation
  ➢ Employee separation
  ➢ Extended leave
  ➢ Department Transfer

• Cut card in half and return with a written card cancellation request to the PCard Coordinator
  ➢ Celeste Ramirez, STOP 6283
Employee Terminations

• Account Manager has the obligation to reclaim the card from the terminated employee
  ➢ Fraudulent charges incurred between employee termination date and card cancellation date do not have liability coverage

• Call PCard Coordinator **As Soon as Possible:**
  ➢ Celeste Ramirez (806)743-3565

• Card must be returned with the transaction documentation since the last review date to the PCard Coordinator
  ➢ Celeste Ramirez, STOP 6283
Record Retention

• Standard Retention Period
  ➢ Current year plus 3 previous fiscal years

• Grant & Contract Accounts
  ➢ Life of Grant or Contract, plus 3 years

• Terminated employees
  ➢ Must be reviewed as soon as card is cancelled
  ➢ Standard retention period
Reviews and Spot Checks

• Spot Checks
  ➢ Previous day’s transactions reviewed daily

• Reviews
  ➢ The Expense Report and its supporting documentation will be sent to Payment Services based on the month ending cycle.
  ➢ The monthly PCard Update will announce the due date for each monthly review and when it is expected in Payment Services.
  ➢ Upon final completion of the review, the Expense Report and its supporting documentation will be sent to Laserfiche to be scanned.

• Post Payment Review Monthly Process
Laserfiche

• General Services will charge the departments $.065 per sheet sent to Laserfiche.
• The default FOP affiliated with each card will be used to charge the scanning cost.
• Laserfiche will be available to all employees and HSC Internal Audit through Weblink. It will also allow a timely gathering of information for audits conducted by Federal and State Agencies.
• Original documentation will be kept for 3 years plus the current Fiscal Year in Payment Services’ storage. If an original receipt is needed for returned items, send an email to c.ramirez@ttuhsc.edu
Preparing The Records for Scanning:

- Remove all staples
- Do not place transparent tape over invoice/receipt transaction date, amount, description of item, or vendor name. The tape “fades” the printed info.
- If the full 16 digit card number is notated on any supporting document, block out the first ten digits of card number and the 3 digit security code.
PCard Contacts

Program Coordinator

• Celeste Ramirez
  Email: Pcard@ttuhsc.edu
  Phone: (806)743-3565
  MS: 6283

Analyst II

• Joanna Barela
  Email: Joanna.Barela@ttuhsc.edu
  Phone: (806)743-7356

• Monica Orosco
  Email: Monica.Orosco@ttuhsc.edu
  Phone: (806)743-1871
PCard Contacts

Managing Director Procurement Services
- John Haynes
  Email: john.g.haynes@ttuhsc.edu
  Phone: (806)743-7387

Associate Managing Director Payment Services
- Lora Turpin
  Email: lora.turpin@ttuhsc.edu
  Phone: (806)743-7392

Citi
- Customer Service
  Phone: (800)248-4553
Questions?

PCard Pcard@ttuhsc.edu